



RBA:
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO: 3
AGENDA DATE: 2.14.08
PAGE: 1 OF 2

SUBJECT: Award construction contracts in a total amount not to exceed \$526,500 to UNITY CONTRACTOR SERVICES, INC , Austin, Texas (Contractor), under the Home Rehabilitation Loan Program to demolish and reconstruct six single family homes under construction contracts between Contractor and each homeowner at the following addresses 7205 Bethune Avenue, 1186 Oak Grove Avenue, 6006 Club Terrace, 2908 E 13th Street, 6113 Atwood Street and 614 Gaylor Street, Austin, Texas

AMOUNT & SOURCE OF FUNDING: Funding is available from the Grant Operating budget, HOME Investment Partnership and HOME Match Acquisition and Development program for Fiscal Year 2007-2008

FISCAL NOTE: There is no unanticipated fiscal impact

REQUESTING
DEPARTMENT: Austin Housing Finance Corporation

DIRECTOR'S
AUTHORIZATION: _____

FOR MORE INFORMATION CONTACT: Paul Hilgers, Executive Director, Austin Housing Finance Corporation, 974-3108

PRIOR BOARD ACTION: N/A

PRIOR COUNCIL ACTION: N/A

These construction contracts will provide for the demolition and reconstruction of six single -family homes at the following addresses 7205 Bethune Avenue, 1186 Oak Grove Avenue, 6006 Club Terrace, 2908 E 13th Street, 6113 Atwood Street and 614 Gaylor Street, Austin, Texas Construction contracts allow for 120 calendar days for completion of the project This project is being developed in compliance with applicable federal requirements including the Code of Federal Regulations, 24 CFR Part 85 40 performance goals, under the Austin Housing Financing Corporation (AHFC) Home Rehabilitation Loan Program (Program)

Unity Contractor Services, Inc , Austin, Texas, submitted the most responsive of three bids submitted to construct the homes in accordance with the plans and specifications

Demolition and reconstruction assistance under the Program provides an alternative to rehabilitating an existing house on a property when it is determined that rehabilitation is

economically infeasible because of the extremely deteriorated condition of the structure. The existing house is replaced with another house of equal or comparable size with exceptions for health and safety considerations regarding a smaller structure. Homestead reconstruction can only be done when the Program has determined that the existing structure cannot be economically repaired under the funding limits of the Program for the fiscal year. Final determination as to the type of replacement home to be used will be at the sole discretion of the AHFC. Reconstructed homes must meet the 2000 International Residential Code, the 2000 International Energy Conservation Code, the 2005 National Electric Code, Visitability Ordinance and Green Building Standards.

The maximum amount paid under the Program for a homestead reconstruction project is \$110,000. It includes demolition costs up to \$14,999 which may be forgivable after five years if the owner meets all terms of the loan agreement. Demolition and construction work at 6113 Atwood Street, Austin, Texas will also require the homeowner to enter into a shared equity formula, purchase option and right of first refusal agreement. This additional requirement is due to the intake application being received after June 1, 2007, when new guidelines became effective that include shared equity requirements.

This property owner will be required to sell the property to AHFC or share 25 percent of any accrued equity with the City upon transfer of the property.

In the event AHFC elects to exercise its purchase option, the homeowner must obtain an appraisal of the house to determine the value. If the AHFC purchases from the applicant, the AHFC will pay the appraised value.

This activity is consistent with the FY2007/2008 Action Plan as identified under the AHFC Program.

Additional Back Up will include the bid tab.